



General Assembly

January Session, 2007

Raised Bill No. 7403

LCO No. 6063

06063_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***AN ACT CONCERNING THE REPEAL OF THE SALES TAX ON
HEALTH CLUB SERVICES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (37) of subsection (a) of section 12-407 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2007*):

4 (37) "Services" for purposes of subdivision (2) of this subsection,
5 means:

6 (A) Computer and data processing services, including, but not
7 limited to, time, programming, code writing, modification of existing
8 programs, feasibility studies and installation and implementation of
9 software programs and systems even where such services are rendered
10 in connection with the development, creation or production of canned
11 or custom software or the license of custom software, and exclusive of
12 services rendered in connection with the creation, development
13 hosting or maintenance of all or part of a web site which is part of the
14 graphical, hypertext portion of the Internet, commonly referred to as
15 the World Wide Web;

16 (B) Credit information and reporting services;

17 (C) Services by employment agencies and agencies providing
18 personnel services;

19 (D) Private investigation, protection, patrol work, watchman and
20 armored car services, exclusive of (i) services of off-duty police officers
21 and off-duty firefighters, and (ii) coin and currency services provided
22 to a financial services company by or through another financial
23 services company. For purposes of this subparagraph, "financial
24 services company" has the same meaning as provided under
25 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
26 of section 12-218b;

27 (E) Painting and lettering services;

28 (F) Photographic studio services;

29 (G) Telephone answering services;

30 (H) Stenographic services;

31 (I) Services to industrial, commercial or income-producing real
32 property, including, but not limited to, such services as management,
33 electrical, plumbing, painting and carpentry and excluding any such
34 services rendered in the voluntary evaluation, prevention, treatment,
35 containment or removal of hazardous waste, as defined in section
36 22a-115, or other contaminants of air, water or soil, provided
37 income-producing property shall not include property used
38 exclusively for residential purposes in which the owner resides and
39 which contains no more than three dwelling units, or a housing facility
40 for low and moderate income families and persons owned or operated
41 by a nonprofit housing organization, as defined in subdivision (29) of
42 section 12-412;

43 (J) Business analysis, management, management consulting and
44 public relations services, excluding (i) any environmental consulting

45 services, (ii) any training services provided by an institution of higher
46 education licensed or accredited by the Board of Governors of Higher
47 Education pursuant to section 10a-34, and (iii) on and after January 1,
48 1994, any business analysis, management, management consulting and
49 public relations services when such services are rendered in connection
50 with an aircraft leased or owned by a certificated air carrier or in
51 connection with an aircraft which has a maximum certificated take-off
52 weight of six thousand pounds or more;

53 (K) Services providing "piped-in" music to business or professional
54 establishments;

55 (L) Flight instruction and chartering services by a certificated air
56 carrier on an aircraft, the use of which for such purposes, but for the
57 provisions of subdivision (4) of section 12-410 and subdivision (12) of
58 section 12-411, would be deemed a retail sale and a taxable storage or
59 use, respectively, of such aircraft by such carrier;

60 (M) Motor vehicle repair services, including any type of repair,
61 painting or replacement related to the body or any of the operating
62 parts of a motor vehicle;

63 (N) Motor vehicle parking, including the provision of space, other
64 than metered space, in a lot having thirty or more spaces, excluding (i)
65 space in a seasonal parking lot provided by a person who is exempt
66 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
67 of section 12-412, (ii) space in a parking lot owned or leased under the
68 terms of a lease of not less than ten years' duration and operated by an
69 employer for the exclusive use of its employees, (iii) valet parking
70 provided at any airport, and (iv) space in municipally-operated
71 railroad parking facilities in municipalities located within an area of
72 the state designated as a severe nonattainment area for ozone under
73 the federal Clean Air Act or space in a railroad parking facility in a
74 municipality located within an area of the state designated as a severe
75 nonattainment area for ozone under the federal Clean Air Act owned
76 or operated by the state on or after April 1, 2000;

77 (O) Radio or television repair services;

78 (P) Furniture reupholstering and repair services;

79 (Q) Repair services to any electrical or electronic device, including,
80 but not limited to, equipment used for purposes of refrigeration or
81 air-conditioning;

82 (R) Lobbying or consulting services for purposes of representing the
83 interests of a client in relation to the functions of any governmental
84 entity or instrumentality;

85 (S) Services of the agent of any person in relation to the sale of any
86 item of tangible personal property for such person, exclusive of the
87 services of a consignee selling works of art, as defined in subsection (b)
88 of section 12-376c, or articles of clothing or footwear intended to be
89 worn on or about the human body other than (i) any special clothing
90 or footwear primarily designed for athletic activity or protective use
91 and which is not normally worn except when used for the athletic
92 activity or protective use for which it was designed, and (ii) jewelry,
93 handbags, luggage, umbrellas, wallets, watches and similar items
94 carried on or about the human body but not worn on the body in the
95 manner characteristic of clothing intended for exemption under
96 subdivision (47) of section 12-412, under consignment, exclusive of
97 services provided by an auctioneer;

98 (T) Locksmith services;

99 (U) Advertising or public relations services, including layout, art
100 direction, graphic design, mechanical preparation or production
101 supervision, not related to the development of media advertising or
102 cooperative direct mail advertising;

103 (V) Landscaping and horticulture services;

104 (W) Window cleaning services;

105 (X) Maintenance services;

106 (Y) Janitorial services;

107 (Z) Exterminating services;

108 (AA) Swimming pool cleaning and maintenance services;

109 (BB) Miscellaneous personal services included in industry group 729
110 in the Standard Industrial Classification Manual, United States Office
111 of Management and Budget, 1987 edition, or U.S. industry 532220,
112 812191, 812199 or 812990 in the North American Industrial
113 Classification System United States Manual, United States Office of
114 Management and Budget, 1997 edition, exclusive of (i) services
115 rendered by massage therapists licensed pursuant to chapter 384a, and
116 (ii) services rendered by an electrologist licensed pursuant to chapter
117 388;

118 (CC) Any repair or maintenance service to any item of tangible
119 personal property including any contract of warranty or service related
120 to any such item;

121 (DD) Business analysis, management or managing consulting
122 services rendered by a general partner, or an affiliate thereof, to a
123 limited partnership, provided (i) the general partner, or an affiliate
124 thereof, is compensated for the rendition of such services other than
125 through a distributive share of partnership profits or an annual
126 percentage of partnership capital or assets established in the limited
127 partnership's offering statement, and (ii) the general partner, or an
128 affiliate thereof, offers such services to others, including any other
129 partnership. As used in this subparagraph "an affiliate of a general
130 partner" means an entity which is directly or indirectly owned fifty per
131 cent or more in common with a general partner;

132 (EE) Notwithstanding the provisions of section 12-412, except
133 subdivision (87) of said section 12-412, patient care services, as defined
134 in subdivision (29) of this subsection by a hospital, except that "sale"

135 and "selling" does not include such patient care services for which
136 payment is received by the hospital during the period commencing
137 July 1, 2001, and ending June 30, 2003. [;]

138 [(FF) Health and athletic club services, exclusive of (i) any such
139 services provided without any additional charge which are included in
140 any dues or initiation fees paid to any such club, which dues or fees
141 are subject to tax under section 12-543, (ii) any such services provided
142 by a municipality or an organization that is described in Section 501(c)
143 of the Internal Revenue Code of 1986, or any subsequent
144 corresponding internal revenue code of the United States, as from time
145 to time amended, and (iii) yoga instruction provided at a yoga studio.]

This act shall take effect as follows and shall amend the following sections:		
---	--	--

Section 1	October 1, 2007	12-407(a)(37)
-----------	-----------------	---------------

Statement of Purpose:

To repeal the sales tax on health club services.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]